



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate rose to 8.7 percent in September as several manufacturers laid off workers and job opportunities began drying up earlier than normal for this time of year. The unemployment rate in August was 8.3 percent. The unemployment rate in September 2001, which did not yet reflect the effects of the September 11 terrorist attacks, was 7.8 percent.

The last two years have brought higher unemployment in both the United States and the Panhandle. In September 2000, the U.S. unemployment rate, at 4.0 percent, was hovering near a record 30-year low. The Panhandle's unemployment rate, however, had risen to 8.9 percent from 7.9 percent in June 2000 because of problems in the lumber, mining, and dot.com industries. By September 2001, the recession that began in early 2001 pushed the U.S. unemployment rate to 5.0 percent, while stabilization in the lumber industry allowed the Panhandle's unemployment rate to move down to 7.9 percent. After September 11, the effects of the U.S. recession, as well as the effects of the terrorists attacks on tourism, caused job losses throughout the United States. By December 2001, following the closure of the Sunshine Mine, the Panhandle's seasonally adjusted unemployment rate peaked at 9.0 percent. The U.S. unemployment rate peaked at 6.0 percent four months later. In late spring, when the U.S. economy seemed to be recovering rapidly, the Panhandle's unemployment rate edged down to 8.0 percent, but by summer, the U.S. economic recovery was teetering. The resulting uncertainty and reduction in manufacturing activity caused the Panhandle's unemployment rate to begin edging upward again. The U.S. unemployment rate made marginal improvements as jobs were created slowly. It reached 5.6 percent this September.

Although job opportunities are limited and some Panhandle families are suffering acutely, the region as a whole is not suffering as much as in other recent U.S. recessions. The Panhandle's seasonally adjusted unemployment rate peaked at 10.7 percent in April 1991, 13.0 percent in September 1986, and 19.2 percent in October 1982.

Panhandle Table 1: Labor Force & Employment

	Sept 2002*	Aug 2001	Sept 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	92,930	92,330	91,930	0.6	1.1
Unemployed	8,040	7,700	7,210	4.4	11.5
% of Labor Force Unemployed	8.7	8.3	7.8		
Total Employment	84,890	84,630	84,720	0.3	0.2
Unadjusted					
Civilian Labor Force	92,610	93,980	91,690	-1.5	1.0
Unemployed	5,990	5,730	5,290	4.5	13.2
% of Labor Force Unemployed	6.5	6.1	5.8		
Total Employment	86,620	88,250	86,400	-1.8	0.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**					
Goods-Producing Industries	70,760	70,980	70,500	-0.3	0.4
Mining	13,980	13,980	14,860	0.0	-5.9
Construction	540	550	680	-1.8	-20.6
Manufacturing	4,840	4,830	5,200	0.2	-6.9
Lumber & Wood Products	8,600	8,600	8,980	0.0	-4.2
All Other Manufacturing	4,180	4,100	4,420	2.0	-5.4
Service-Producing Industries	4,420	4,500	4,560	-1.8	-3.1
Transportation	56,780	57,000	55,610	-0.4	2.1
Communication & Utilities	1,520	1,560	1,610	-2.6	-5.6
Wholesale Trade	1,070	1,100	1,060	-2.7	0.9
Retail Trade	2,100	2,180	2,180	-3.7	-3.7
Finance, Insurance & Real Estate	15,680	16,000	15,240	-2.0	2.9
Service & Miscellaneous	2,840	2,840	2,700	0.0	5.2
Government Administration	19,140	19,840	18,390	-3.5	4.1
Government Education	9,180	9,420	9,210	-2.5	-0.3
	5,250	4,060	5,220	29.3	0.6

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

AREA DEVELOPMENTS

Rural Communities

- The North Idaho Rural Health Consortium recently won a \$500,000 federal grant to provide more timely and convenient analysis of X-rays and CT-scans. The grant from the U.S. Department of Agriculture's Rural Development Program will create a "telemedicine" network connecting Boundary Community Hospital in Bonners Ferry, Benewah Community Hospital in St. Maries, and Shoshone Medical Center in Kellogg with Bonner General Hospital in Sandpoint. A radiologist will travel to all of the hospitals to conduct procedures with patients, and will be available at any time to any of the hospitals for reading diagnostic images transmitted over the "telemedicine" network. The consortium estimates that 20,340 patients a year will benefit from the faster interpretation of X-rays and CT-scans.
- Many Panhandle residents expressed enthusiasm when they heard that Louisiana-Pacific Corp. (L-P) no longer is seeking buyers for its North Idaho lumber operations, including two sawmills in Boundary County employing 250 people; a finishing plant in Sandpoint employing 80 people; and a sawmill in Chilco, north of Hayden, employing 90 people. L-P will

continue to own and operate the four lumber operations. Last spring, Portland-based L-P announced a major reorganization that included selling all of its lumber operations. This caused uncertainty about the future of the four North Idaho lumber operations and could have affected workers' retirement funds. The prospect of a sale caused special concern in Boundary County because the L-P mills directly account for eight percent of the county's payroll jobs. This was the second time in one year that the Bonners Ferry mill was up for sale. L-P purchased the mill from Crown Pacific in fall 2001 when Crown divested itself of its Idaho holdings.

Kootenai County

- Many plans announced in recent months came to fruition this fall. The Bon Marché opened at the beginning of November in the 44,000-square-foot space formerly occupied by Lamont's, and later Gottschalk's, at Coeur d'Alene's Silver Lake. It employs 50 people. Walgreen's hired 30 employees and opened its 14,500-square-foot, 24-hour drug store October 25. It is located in front of the old Rosauer's store on the northeast corner of Appleway and Highway 95 in Coeur d'Alene. The 100-seat Brix nightclub celebrated its grand opening in downtown Coeur d'Alene's historic Penney's building during the last week of September. Coeur d'Alene Subaru opened its new 14,000-square-foot building on three acres near Interstate 90 in Post Falls, allowing it to move from Fourth Street in Coeur d'Alene. Next month Knudtsen Chevrolet also will move from Fourth Street to a new 43,000-square-foot building on six acres in the same auto dealership row. The Center for Advanced Microelectronics and Biomolecular Research moved from the University of New Mexico into a 6,000-square-foot space at the University of Idaho Research Park, bringing 15 jobs.
- C. Paul Sandifur, president and CEO of Spokane-based Metropolitan Mortgages & Securities Co., announced in late October that he plans to bring 50 jobs to the Coeur d'Alene area. Sandifur cited Idaho's favorable business climate as the major factor in his decision to bring 35 jobs from Spokane and 15 jobs from Boise. He plans to expand sales for his life insurance business from 21 to 41 states. To compete at a national level, Sandifur indicated he wanted a stronger business environment, which he felt Idaho provides. Metropolitan Mortgage employs 420 people in Spokane. Jobs Plus, the nonprofit organization that recruits businesses to Kootenai County, played a major role in bringing the Metropolitan Mortgage jobs to North Idaho. Sandifur did not specify the exact location and timing.
- Four Season Assisted Living is under construction near Coeur d'Alene High School. The center will encompass four 5,200-square-foot residential buildings that together will house 50 residents. The first building, Autumn Cottage, will open before the end of 2002, and the fourth building is slated for completion by July. Four Season Assisted Living will employ 42 people, including registered nurses and physical therapists.

- A health food store with a deli, juice bar, and espresso bar will open in a 2,000-square-foot building at 205 East Seltice Way in Post Falls in mid-November. Owned by Wanda Galland and her mother, Florence Galland, River City Health Foods will also sell prepared foods targeted to seniors and will deliver groceries.
- Melissa Clair, who owns three Domino's pizza restaurants in Kootenai County, will open a fourth in November south of Schuck's Auto Parts in Hayden. It will employ 30 people.
- Del Taco, which claims it's the world's second-largest taco chain, plans to open a 2,150-square-foot Mexican restaurant at the southwest corner of Highway 95 and Prairie Avenue in Hayden. When it opens in 2003, Idaho's first Del Taco will employ about 35 people.
- Leopard Lattes is the new drive-through espresso stand at 220 Spokane Street in Post Falls.
- Our Lady of Victory School (OLVS), a publisher of textbooks, lesson plans, and other materials for traditional Catholic home-schooling, plans to build a \$245,000, 7,000-square-foot building at 421 Lochsa Street in Post Falls. Our Lady of Victory began selling educational materials in California in 1977 and then moved to 103 East Tenth Avenue in Post Falls in 1991. More than 1,500 students are fully enrolled in OLVS, and hundreds more use its lesson plans and books.
- The largest lodging place in Post Falls, WestCoast Templin's Resort, soon will adopt the Red Lion brand name. It is one of 20 WestCoast hotels that will adopt the Red Lion name in February. Templin's has undergone two other name changes in recent years. First, it was purchased by Cavanaugh's, which in turn was purchased by WestCoast. WestCoast recently purchased the Red Lion hotel chain and decided to use the Red Lion brand for Templin's and 19 other WestCoast hotels. Templin's employs up to 170 people during the summer tourism peak season.

Shoshone County

- The Tele-Servicing Innovations (TSI) call center continues to generate new jobs. TSI announced it plans to move to the Silver Valley in late 2000. While waiting for construction of its building at the Silver Valley Industrial Park in Smelterville, TSI bused about 30 Silver Valley residents to a temporary center in Coeur d'Alene each day. After TSI moved into its Smelterville building in October 2001, its employment increased to 60 people. Today, it employs twice that many people and has the potential to add more jobs over the next year. The jobs created by TSI make a substantial difference to a community reeling from mine closures and layoffs.

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